

# OCFO BULLETIN



FY95 No. 13

April 15, 1995

Published by the Office of the Chief Financial Officer

## EVENTS CALENDAR

### DOLAR\$

04/26/95 April WCF cycle.

### FINANCIAL INTEGRITY

01/19/95 - 04/30/95 Audit resolution time frame.

05/01/95 OIG to issue opinion on DOL's FY 1994 Consolidated Financial Statement.

### OCFO TRAINING

04/18/95-04/20/95 Travel Manager Plus (TMP) training for Application Administrators to be held in the National Office OCFO Training Room (N-6506).

05/01/95-05/03/95 Appropriations Law course to be conducted in the National Office (C-5515, Seminar Room 4).

05/16/95-05/18/95 DOLAR\$ Accounts Receivable subsystem training to be conducted in Lakewood, CO.

05/15/95-05/19/95 DOLAR\$ Core system and Accounts Payable subsystem training to be conducted in the National Office OCFO Training Room (N-6506).

06/12/95-06/14/95 DOLAR\$ Accounts Receivable subsystem training to be conducted in the National Office OCFO Training Room (N-6506).

06/19/95-06/23/95 Introduction to Financial Management pilot for BLS staff. (The dates are tentative at this time.)

### REGIONAL TELECONFERENCE SCHEDULE

<u>Date</u>	<u>Day</u>	<u>Time</u>
05/02/95	Tuesday	2:00 p.m.

## OPERATIONS, DEVELOPMENTS, AND EVENTS

1. News on the Bulletin. We have revised the OCFO Bulletin to be more inclusive of our activities and of financial activity and initiatives in the Federal Government. In addition, the Bulletin, henceforth, will be issued monthly, on the 15th.

**OPERATIONS, DEVELOPMENTS, AND EVENTS (Continued)**

2. New Chief for Division of Compensation and Benefits. We are pleased to announce that Terry Hannan has accepted the position of Chief, Division of Compensation and Benefits, replacing Wes Lacy who retired on March 31. Terry comes to the Division from our Office of Financial Integrity, Division of Planning and Control. Prior to that, Terry worked in private industry where she had extensive payroll experience. Join us in welcoming Terry to her new position; we believe you will enjoy working with her.
3. Authorization Signatures. Each finance office is required by Departmental policy to maintain a list of individuals, with samples of their signatures, who have been designated to authorize and approve vouchers, advances, and invoices for payment. Verification of authenticity of signatures against a specimen signature is an important internal control. We recognize, however, that in some offices the designated officials' signatures are distinct and easily identifiable to the finance staff and checking such signatures to a specimen signature provides no added security. We also understand that our employees are not handwriting experts and, therefore, would not always be able to detect a forged signature. Thus, signatures should be verified to specimen signatures when the examiner believes the signature is not that of the individual designated to sign the voucher or invoice and when the signature is that of an individual signing vouchers/invoices for the first time. All other signatures should be verified on a random basis.
4. "Terminal Leave," i.e., Annual Leave Prior to Separation. The Comptroller General has ruled that an agency may not grant annual leave immediately prior to separation from federal service when the separation is known in advance, except when the exigencies of the service require such action (34 Comp. Gen. 61 (1954)). The Departmental regulation contained in the Department of Labor Personnel Regulations, Chapter 630, Subchapter 3, states: "Annual leave may not be granted if it is known that an employee is not going to return to duty, unless the needs and the interests of the government require the employee's retention in annual leave status."

It has come to our attention that these regulations may not be adhered to in some cases within DOL. In order to assure future compliance, Agency and Regional Finance Officers should remind the managers they service of this policy. Furthermore, they should instruct timekeepers serviced by their offices to note on the Supervisor Certification and Exception Report when an employee has used annual leave immediately preceding separation. Where an employee's time records show the use of annual leave immediately prior to separation, the payroll office shall change the annual leave used to leave without pay. In addition, timekeepers shall reduce the leave balances for any leave accrued during the employee's period of absence. We will issue a memorandum setting forth the procedures in detail.

5. Obligations for Voluntary Separation Incentive Payments (Buy-outs). Under the authority for Voluntary Separation Incentive Payments (VSIP), some employees were given deferred separation dates. While these employees may leave later this fiscal year or in the next two fiscal years, the obligation for the VSIP occurred when the agency accepted the employee's application. Obligations, therefore, should be recorded now for all VSIP awarded, regardless of when the employees will actually separate. In addition to the VSIP award, for those employees who received both a VSIP and an early retirement, we must pay the Office of Personnel Management nine percent of each employee's annual salary. The liability for this payment occurs at the end of an employee's last day at work, and an obligation should be recorded at that time. The liability for an employee's lump-sum annual leave

**OPERATIONS, DEVELOPMENTS, AND EVENTS (Continued)**

payment also occurs at the end of the employee's last day at work; an obligation should also be recorded at that time.

6. Unliquidated Obligations. We have recently received the results of the FY 94 audit on Accounts Payable, Undelivered Orders and Disbursements from the Office of the Inspector General (OIG). Their findings mirrored those of prior years, that is, invalid obligations on the books, undelivered orders not reclassified to accounts payable and visa versa, obligations not recorded on the books at year-end, etc. In addition, the OIG has identified over \$10 million in FY 93 and prior obligations for which there was no activity in FY 94. They concluded that these obligations, therefore, are invalid. While that may not be a valid conclusion, it is indicative of a problem.

With half of FY 95 over, and since we are now gearing up for the FY 95 annual audit, it is now time to begin reviewing all open obligations and deobligating those which are invalid. While it is important that we review and deobligate prior year monies before we close the books for FY 95, it is even more important to begin reviewing immediately current year unliquidated obligations to free up funds which can be used for other requirements this fiscal year.

7. Internal Revenue Service (IRS) Forms 1099. Over the past few years, we have been moving toward producing all IRS Forms 1099 for salary and expenses (S&E) disbursements directly from the DOLAR\$ database. Prior to producing the 1099s for CY 93, we notified all finance offices that for CY 94 all S&E 1099s would be produced from DOLAR\$. To enable us to produce these forms directly from DOLAR\$, a policy was established requiring all payments to S&E vendors be recorded in DOLAR\$ using a valid vendor identification number. The Taxpayer Identification Number is the valid vendor identification number for individuals and entities that require IRS Forms 1099.

In producing these forms for CY 94, we found that some finance offices are continuing to use pseudo vendor identification numbers when processing payments. As we move toward electronic commerce, these numbers will become more significant, both in the acquisition of goods and services and in the payment for these goods and services. Therefore, the practice of using pseudo identification numbers must stop. Those offices which have used pseudo identification numbers in CY 95 must go back into the system and correct the numbers.

Some finance offices are continuing to set the IRS 1099 flag to "Y" when creating a vendor file for DOL employees. The Department should not be making payments to employees for which an IRS Form 1099 would have to be issued. In CY 94 there were over 500 employees in the vendor file with the 1099 flag set to "Y." The only payments we should be making to employees are salaries and reimbursements for out-of-pocket expenses. If payments are being made for any other reason, each should be questioned and an opinion rendered as to whether or not the payment may be made.

8. April WCF Cycle. The date for running the April WCF Cycle is April 26. Agency redistribution will be allowed April 27 and 28. The OASAM servicing finance offices should ensure, as much as possible, that WCF expenditures for April have been recorded in DOLAR\$ by April 25.
9. Monitoring Overtime. Agency Administrators and Regional Administrators, OASAM, will soon receive overtime usage reports for the second quarter FY 95. Thereafter, these reports will be issued

**OPERATIONS, DEVELOPMENTS, AND EVENTS (Continued)**

monthly, and a summary report will be issued quarterly. The overtime usage reports are an excellent tool for managers to use in monitoring overtime in their organizations. We recommend that the reports be distributed by the offices receiving them to all managers they service who are responsible for approving overtime, as well as to financial managers for use in monitoring payroll processing.

10. TC Rule. The new security features in DOLAR\$ associated with TC-Rule will be installed in the production system over the next two weekends. It is possible that the full migration will be completed over the weekend of April 22. However, the capability will not be implemented until the survey transmitted by the Deputy CFO has been completed by each servicing finance office. We have established contact points and procedures to ensure that each office fully understands the impact of the security changes on the operations of that office. Each finance office manager will be notified individually of the next steps.
11. Payroll/DOLAR\$ Interface. We have completed basic testing of a new Interactive Payroll System to DOLAR\$ system interface. It replaces the software in current use and is designed to provide direct input from the payroll system into the Accounts Receivable (A/R) and Travel subsystems of DOLAR\$. For example, salary offsets to satisfy receivables established will update the A/R subsystem and DOLAR\$ core each time the payroll is processed for accounting updates. Travel extension records will also be updated via the payroll tape. We expect to install the new interface, in stages, in the next several weeks and will keep you informed of the exact date of the change.
12. OCFO Training. The Calendar on page 1 lists the third quarter FY 95 training sponsored by or presented by the OCFO. Please contact Terry Conroy, at (202) 219-6891, for further information and to submit names of nominees for all OCFO training. Lists of financial management courses offered by Treasury's Center for Applied Financial Management are provided on page 5.

Payroll Training. Several National Office agencies and some regions have requested timekeeping and payroll training. We are establishing a team to prepare and conduct training in these areas. We expect these courses to be ready late this fiscal year. We will keep you informed in future Bulletins.

Accounts Receivable Training. We are preparing for the next training class for the new DOLAR\$ A/R subsystem. This session will be held in Lakewood, CO, and is targeted for those OASAM regional finance offices which have not yet had the training (primarily the western regions) as well as the MSHA, Denver, finance office. Staff from other organizations are welcome on a space available basis.

13. DOLAR\$ Procedures Update. Transmittal Letter 52 for the DOLAR\$ Procedures was issued on March 21. This update includes adjustments to the FY 95 Object Class Listing. Object classes 2431 (Emergency Printing) and 2532 (Special Services) have been added. Description changes were made to the following object classes: 2421 ( GPO - Printing of Public Information); 2422 (GPO - Printing of Administrative Publications); and 2430 (Commercial Printing and Reproduction).

**OPERATIONS, DEVELOPMENTS, AND EVENTS (Continued)**

14. Treasury Courses and Conference. Following are schedules of courses to be offered by Treasury as well as the up-coming Financial Management Conference.

Treasury's Financial Management Service's Center for Applied Financial Management and the U.S. Office of Personnel Management, under their new training partnership, will offer the following two courses in 10 cities during the remainder of FY 95: **Accrual World** and **Understanding and Using the Standard General Ledger**. Dates and cities for these course offerings are:

April 20-21	Atlanta	SGL
May 16-17	Dallas	Accrual World
May 18-19	Dallas	SGL
May 23-24	Philadelphia	Accrual World
May 25-26	Philadelphia	SGL
June 6-7	Kansas City	Accrual World
June 8-9	Kansas City	SGL
July 11-12	Nashville	Accrual World
July 13-14	Nashville	SGL
July 18-19	Boston	Accrual World
July 20-21	Boston	SGL
July 25-26	Denver	Accrual World
July 27-28	Denver	SGL
August 15-16	San Francisco	Accrual World
August 17-18	San Francisco	SGL
August 22-23	Chicago	Accrual World
August 24-25	Chicago	SGL

The following courses will be offered by the Center for Applied Financial Management in Washington, D.C.

April 19-21	Understanding SGL	May 4	Imprest Fund
April 25	Cash Management	May 17-18	Budget Execution Game
April 26-28	Accrual World	May 19	Basic Accounting Concepts
		May 23	Cash Management
		May 24-25	SF 224: Statement of Transactions
		May 26	Reconciling Differences
June 12	Basic Accounting Concepts		
June 13-14	SF 224: Statement of Transactions		
June 19-20	Dollars and Pence		
June 21	Cash Management		
June 22-23	Appropriations Law		
June 29-30	SF 1219/SF 1220 Course		

---

**OPERATIONS, DEVELOPMENTS, AND EVENTS (Continued)**

**The 5th Government Financial Management Conference** is scheduled for June 7-9. This year's topics include: Managing Human Resources, Perspectives for Program Managers, The FASB (Federal Accounting Standards Advisory Board) Accounting Statements and Standards, Audited Financial Statements, Congressional Update, and the latest developments in GPRA (Government Performance and Results Act) and NPR (National Performance Review). The conference, to be held in the Washington, DC, area, is \$395 per person.

For more information on the courses and conference, contact the Center for Applied Financial Management (202) 874-9560.